



April 11, 2018

Our organizations represent millions of patients and their families facing serious health conditions and are committed to ensuring they have adequate, affordable and accessible health care coverage at every stage of life. We write to express our deep concern with Senate Bill 897. This legislation would create new and serious barriers to accessing healthcare by requiring people enrolled in the state's Medicaid program to either prove they work 30 hours per week or meet exemptions. If passed, this policy would jeopardize access to care for Michiganders. Our organizations ask you to oppose SB897.

The bill requires the Michigan Department of Health and Human Services to apply for a section 1115 Waiver from the federal government to implement this requirement. A major consequence of SB897 would be to increase the paperwork burden on all patients. Extensive administrative requirements will likely decrease the number of individuals with Medicaid coverage, regardless of whether they qualify for a modification or exemption. For example, after Washington State changed its Medicaid renewal process from every twelve months to every six months and instituted new documentation requirements in 2003, approximately 35,000 fewer children were enrolled in the program by the end of 2004.ⁱ In Michigan, the process of having to document exemptions from or compliance with the new requirements is similarly likely to create substantial administrative barriers to accessing or maintaining coverage. Battling administrative red tape in order to keep coverage should not take away from patients' or caregivers' focus on maintaining their or their family's health.

Failing to navigate these burdensome administrative requirements could have serious – even life or death – consequences for people with serious, acute and chronic diseases. If someone forgets to report or misses a deadline twice, they would lose coverage for a year. People who are in the middle of treatment for a life-threatening disease, rely on regular visits with health care providers or must take daily medications to manage their chronic conditions cannot afford a sudden gap in their care.

Even enrollees who qualify for exemptions will have to provide documentation of their illness during the application and reassessment process, creating opportunities for administrative error that could jeopardize their coverage. No criteria can circumvent this problem and the serious risk to the health of the people we represent.

Administering these requirements will also be expensive for the state of Michigan. States such as Kentucky, Tennessee and Virginia have estimated that setting up the administrative systems to track and verify exemptions and work activities will cost tens of millions of dollars.ⁱⁱ This would divert resources from Medicaid's core goal – providing health coverage to those without access to care – as well from other important initiatives in the state of Michigan. Healthcare dollars should be used on delivering care, not creating bureaucratic red tape.

Ultimately, SB897 will not help low-income families improve their circumstances without needlessly compromising their access to care. Most people on Medicaid who can work already do so.ⁱⁱⁱ A recent study, published in *JAMA Internal Medicine*, looked at the employment status and characteristics of Michigan's Medicaid enrollees.^{iv} The study found only about a quarter were unemployed (27.6 percent). Of this 27.6 percent of enrollees, two thirds reported having a chronic physical condition and a quarter reported having a mental or physical condition that interfered with their ability to work.

We urge you to oppose this legislation and instead focus on solutions that can promote adequate, affordable and accessible coverage in Michigan's Medicaid program.

Sincerely,

American Heart Association
American Lung Association
Arthritis Foundation
Cystic Fibrosis Foundation
Leukemia & Lymphoma Society
National Multiple Sclerosis Society
National Organization of Rare Diseases

ⁱ Tricia Brooks, "Data Reporting to Assess Enrollment and Retention in Medicaid and SCHIP," Georgetown University Health Policy Institute Center for Children and Families, January 2009.

ⁱⁱ Misty Williams, "Medicaid Changes Require Tens of Millions in Upfront Costs," Roll Call, February 26, 2018. Available at <https://www.rollcall.com/news/politics/medicaid-kentucky>.

ⁱⁱⁱ Rachel Garfield, Robin Rudowitz, and Anthony Damico, "Understanding the Intersection of Medicaid and Work," Kaiser Family Foundation, February 2017, <http://kff.org/medicaid/issue-brief/understanding-the-intersection-of-medicaid-and-work/>.

^{iv} Renuka Tipirneni, Susan D. Goold, John Z. Ayanian. Employment Status and Health Characteristics of Adults With Expanded Medicaid Coverage in Michigan. *JAMA Intern Med*. Published online December 11, 2017. doi:10.1001/jamainternmed.2017.7055